

# SMALL FARM *digest*

US DEPARTMENT OF AGRICULTURE

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## Diana Endicott— Your Small Farm Neighbor

Featured this month in “Your Neighborhood Farmer” is Diana Endicott, an energetic creative trendsetter who transformed local markets in Kansas City near her Bronson, Kansas home by introducing consumers to wholesome organically grown local foods. I was fortunate to have interviewed Diana. She related an intriguing story about her entrance into the sustainable farming food business. The story begins in Texas where she and her husband Gary owned and operated a local landscape company. They soon grew tired of the business and yearned to return to Kansas, which they considered home. They returned to their family farm and earnestly began to □

continued on p. 10



## Obtaining Financing for Small-scale and Part-time Farming Operations

Small-scale farm operations are not for everyone, but they can support a wholesome way of life away from many of the problems of urban living. Families across the U.S. cherish the lifestyle of small-scale farming. They get satisfaction from watching their farms prosper and their net worth grow over the life of their business.

But because many of these operators are new to agriculture, they may lack knowledge of business practices and lending institutions that finance farm loans.

A small-scale farming operation requires a considerable commit-

ment of time and money. Even those operations that are too small to provide all of a family's income usually require specialized expertise in crop

or livestock production to be profitable. A long-term economic plan and a willingness to learn and implement sound business practices also are needed.



If you want to succeed in starting a new business enterprise, you will need to develop solid management skills. Factors like timing and marketing are critical to success. The business aspects of agriculture have become much more important over the past few decades. Modern

### Small Farm Handbook

A book for the new farmer who has basic questions about how to set up a farming operation—page 13.



*“If you want to succeed in starting a new business enterprise*

agriculture is a large, competitive industry that stretches across states, regions, and even countries. Today, even small-scale farmers must view themselves as businesspeople.

U.S. agriculture is and will continue to be capital intensive. Since most agricultural production activities require more capital than a business owner personally possesses, loans of one type or another are typically required. This article examines the steps a farmer should take to secure a loan, as well as the major lenders that serve the small-scale agricultural sector.

### *Obtaining a Farm Loan*

Most small-scale farms are considered to be both businesses and family residences, which can cause problems when small-scale farmers apply for credit. Owners of large farms also have special credit needs, but because they are often more knowledgeable about their credit options; lending institutions are more apt to see them as businesspeople. Small-scale farmers can increase their chances

for success by observing the following management practices when they apply for a loan:

**Know your farm enterprise.** The trend in agriculture is to do fewer things, but do them better. Small-scale farmers should focus on only one or two enterprises and should develop the production and marketing expertise needed for profitability.

**Budget your cash flows.** The ongoing surplus of revenues over expenses is an important indicator of how much debt you can handle.

**Know your collateral value.** Lenders will determine whether you are eligible for a loan by considering your repayment ability (or cash flow) and the value of your assets. Collateral can be land, buildings, livestock, machinery, personal property, and financial assets such as stocks and bonds. However, permanent specialized structures do not necessarily have great resale value and therefore may not be a major asset.

**Have a written plan.** In farming, it makes good business sense to write down goals, investment priorities, and timetables. Agricultural lenders find that there is no substitute for good planning.



ise, you will need to develop solid management skills.”

**Prepare financial statements in advance.**

Lenders typically prefer loans that are self-liquidating. This means that the income generated from the investment that is made with the loan is sufficient to repay loan principal and interest within the maturity period. Lenders are sometimes uncertain as to what extent farm loans should be based on the small-scale farm enterprise versus the off-farm income because small-scale farmers often have relatively large off-farm income. Most small-scale farmers apply for loans under \$100,000. However, many lenders like to make larger loans because loan-processing costs per dollar loaned are often highest for small-scale loans. To minimize these costs, you should have important financial statements for the past three to five years already prepared when applying for a loan. These include balance sheets listing assets, debts, and net worth; income statements listing sales, expenses, and overhead costs, such as depreciation and changes in inventories; and cash-flow statements for family expenses and loan payments. Construct a pro forma financial statement if the loan is for an investment where no past financial information is available, such as a new enterprise, for example. Financial statements are less

complicated than they may seem. Accurate financial statements prepared in advance can help you gain loan approval.

**Use your records to make informed decisions.** Maintain accurate farm records and use them to help make management decisions, such as whether to upgrade or modernize facilities.

**Treat the lender as a valuable asset.**

Most agricultural loan officers work with 100 or more clients. They have a broad knowledge of agriculture as a result, and their banking expertise can help make a small-scale farm more successful. You need to be comfortable with your lender and feel that you can build a long-term business relationship, which may be to your and the lender’s advantage. Agricultural bankers recognize that small-scale farm loans can be good for their business, increasing not only lending activity, but also savings deposits, insurance sales, and other transactions that make small-scale farmers valuable customers. Also, lenders are finding that small-scale farmers tend to have excellent repayment histories.

Lenders include the following:

- Commercial banks and credit unions

Farm Credit System of borrower-owned cooperatives

Farm Service Agency, a U.S. Department of Agriculture lender  
Programs available through states  
Individuals and agribusiness suppliers.

### Commercial Banks

Commercial banks are an integral part of the communities they serve. They offer a wide range of financial services to small-scale and part-time farm operators. Many banks have agricultural banking departments that specialize in providing banking services to farmers. Their employees often have agricultural backgrounds and educations, as well as experience with community-based agricultural programs, such as FFA, 4-H, and cooperative extension. Bank representatives often are able to meet with clients at their farms or businesses.

### Lending Services

Commercial banks offer many kinds of credit designed to match the term of the loan with the life of the asset being financed. Some of the kinds of credit available are described below.

**Short-term operating loans.** These are used for annual expenses, such as seed and fertilizer, and can be in the form of a short-term loan payable in less than a year or an operating line of credit. Credit lines allow the borrower some flexibility to take advantage of any seasonal discounts that become available for supply purchases. A credit line also can be used to prepay future expenses prior to the end of a tax year. Generally, the balance owed on an operating credit line is paid off sometime during the year.

**Intermediate-term loans.** These loans are used to finance capital purchases for items such as machinery, equipment, and livestock. Loan terms are usually two to

five years, with longer terms available for remodeling or constructing buildings and facilities. Revolving lines of credit, which provide flexibility for making small capital purchases, also are available.

**Long-term loans.** These loans have terms of 10 years or more and are used to purchase real estate or finance building major structures. Loans may have a fixed interest rate over the life of the loan or may have an adjustable (sometimes called variable) rate. The interest rate on an adjustable rate loan is typically tied to prime rate of interest and therefore changes over the maturity of the loan as general economic conditions change. Unlike home and auto loans, agricultural real estate loans may have prepayment penalties for repaying a loan before maturity. Typically, loans with prepayment penalties have lower interest rates.

Many banks participate in the guaranteed loan programs of the Farm Service Agency of the USDA, which provides additional opportunities for making and servicing agricultural loans. Banks also can provide farmers with information about potential sources of financial and technical assistance outside the bank. Some of these programs may present opportunities for banks to co-finance projects along with outside agencies.

Commercial banks also sometimes issue credit cards, which are a convenient way to pay for items ordered over the telephone, such as livestock medications and other supplies. Consumer loans also are available for financing nonbusiness expenses, such as a college education, automobile purchase, or home improvement project.

### Deposit Accounts

Banks provide many nonlending services to farmers, including deposit accounts. The most widely used is the checking account, which can be tied to a line of credit to provide overdraft protection. In addition, certain types of checking accounts pay interest. Recurring payments, such as a dairy farmer's



Photograph by Bill Davenport

## *“Treat the lender as a valuable asset”*

regular milk check, can be deposited directly into an account, saving time and eliminating the risk of checks being lost or stolen. ATM (automatic teller machine) cards provide 24-hour access to the account nationwide and in some foreign countries.

Savings accounts and money market accounts provide a way for customers to invest excess funds for the short term. Savings certificates are used to invest for a specific period of time, from several days to several years. Individual retirement accounts (IRAs) provide for retirement and are used increasingly by farmers to defer income taxes.

### **Other Services**

Banks provide trust services, leases, and safety deposit boxes. Trust services help with both retirement planning and the transfer of assets within a farm family. Leasing is a way of financing items that need to be replaced or upgraded regularly, such as computers. No down payment is required for a lease, which can help with income tax planning. Safe deposit boxes are a secure, fireproof place to store valuables and important documents. Banks are staffed with local people and are

committed to the communities they serve. They offer a one-stop place to obtain many financial services.

### *Farm Credit System*

Since 1916, the Farm Credit System has been a major provider of credit and financial services to farm enterprises, agriculture-related businesses, and rural communities. In this nationwide system of cooperatively organized institutions, the customers own the local entity providing the service. When farmers borrow from a Farm Credit cooperative, they acquire an equity interest in the entity and gain the privileges of stock ownership, including voting and patronage dividends. A board of directors, who are elected by cooperative members and are both borrowers and members of Farm Credit, manages each cooperative locally.

Most Farm Credit lenders have farm backgrounds. All are specially trained to understand the needs and challenges of today's agriculture. They offer a wide range of products and services. Ac-

count executives will meet borrowers on their farms, in their homes, or at their business.

Farm Credit's primary business is credit and lease financing for full-time and two-career farmers, although they are permitted to make some home loans. There is no minimum or maximum loan size, acreage, or farm size. If you farm for a living or own rural property, Farm Credit can meet your funding needs. Depending on loan size and credit risk, a minimal amount of credit information is required for small loans, and requests are quickly approved.

### Lending Services

Several types of loans are available through Farm Credit:

**Long-term loans.** Farm Credit specializes in long-term loans (10 to 30 years). These loans can be used to purchase a farm, refinance existing long-term loans, construct new facilities and buildings, and purchase additional acreage.

Farm Credit rates are competitive with local markets. Credit is structured with each operation's specific cash flow in mind. They offer fixed, adjustable, and variable rates for all types of long-term financing, as well as monthly, quarterly, semiannual, and annual payment plans. Because one-time closing construction loans are a Farm Credit standard, you do not pay for more than one loan closing on any construction loan. Country Home Loans, which are unique to Farm Credit, include financing for purchasing, remodeling, constructing, or refinancing a home in the country. There are no acreage or outbuilding limitations, so the entire value of the property being bought or refinanced is considered in the appraisal.

**Intermediate-term loans.** Fixed and variable rate intermediate-term loans (two to 10 years) are another important service offered by Farm Credit. These loans are typically used for machinery and equip-

ment, vehicles (including cars and pickup trucks), livestock and poultry, property improvements, and personal and family needs (such as financing a college education).

**Revolving credit lines.** RCLs are one of the most popular financing tools available. They are tailored to specific borrowing situations, and repayment is tied to cash flows. Agri-Line checks make it easier for you to access your RCL by writing your own checks on the credit line. In some areas, funds can be electronically transferred directly into your checking account.

**Short-term loans.** These loans are easily arranged and require full repayment within a year. As with all Farm Credit loans, these are structured to fit cash flows with monthly or less frequent repayment. These loans are often used for farm operating expenses and feed or livestock purchases. Farm Credit variable rate loans are based on published financial indices—prime rate and London Inter-Bank offered rate (LIBOR).

### Lease Financing

New and used equipment and fixtures can be lease financed through Farm Credit leasing (FCL). Leasing can be useful for managing taxes and minimizing down-payment requirements. Leases can be designed to include such programs as deferred first payments (Harvest Plan) and flexible residuals. FCL programs also can be used to lease finance vehicles, such as heavy transportation equipment, pickup trucks, and cars. Special purchase plans and direct-from-the-factory ordering and pricing also are available.

### Other Services

Farm Credit also offers farm appraisal services, insurance (both crop and life), Auto-Draft, FastCash and online Account Access. Farm business consulting, taxes and record keeping as well as estate planning are also offered in some areas.



#### USDA's Farm Service Agency (FSA)

administers farm commodity, crop insurance, credit, environmental, conservation, and emergency assistance programs for farmers and ranchers. FSA has a large number of fact sheets describing each of the many financial programs that the Agency administers. You can search either by topic or by program. <http://www.fsa.usda.gov/pas/publications/facts/pubfacts.htm>



Photograph by Ned Horton

*Farm Credit operates as independently owned and operated regional networks with local branches. To find the Farm Credit Service office that services your area, visit the Farm Credit Web site at:  
[www.farmcredit.com](http://www.farmcredit.com)*

*“The FSA makes direct loans to individual rural youth who are 10 through 20 years of age.”*

### **How to Contact Farm Credit**

Farm Credit operates as independently owned and operated regional networks that have local branches. To find the Farm Credit Service office that services your area, visit the Farm Credit Web site at [www.farmcredit.com/](http://www.farmcredit.com/)

### **Farm Service Agency**

The Farm Service Agency (FSA) of the USDA (formerly the Farmers Home Administration) makes and guarantees farm loans and provides technical management assistance to eligible applicants who will operate family-size farms. The FSA is a temporary source of credit whose goal is to graduate its borrowers to conventional credit, once they become financially strong enough to meet commercial credit standards. Applicants must demonstrate adequate farm experience, training, and managerial ability to have a reasonable chance of success in their farm business. They also must be citizens of the United States (or legal resident aliens), have a satisfactory history of meeting credit obligations, possess the legal capacity to meet the obligations of a loan, and be unable to obtain sufficient credit elsewhere, even with an FSA guarantee.

### **Direct Loans**

FSA makes and services direct loans. However, applicants who can obtain credit with a guarantee from FSA must do so, rather than obtain a direct loan. Some direct loans are made at limited-resource interest rates. The limited-resource program can offer a temporary reduction in interest when the applicant's projected cash flow demonstrates a need for a reduced interest rate. The interest rate increases along with the ability of the business to pay.

### **Guaranteed Loans**

The FSA can guarantee loans made by eligible agricultural lenders to family farmers. FSA loan guarantees can allow a private lender to serve, or continue to serve, a farmer who cannot be served on a wholly conventional basis due to financial risk factors. Guaranteed loans are made and serviced by legally organized, private lending institutions, such as commercial banks, Farm Credit associations, insurance companies, and savings and loan associations. The

FSA provides lenders with a guarantee not to exceed 90 percent of any loss of principal and interest on the loan.

### Lending Services

Following is a brief description of the FSA loan types.

**Farm ownership loans.** FSA provides direct and guaranteed loans to buy, improve, or enlarge farms. Loan funds can be used for construction, improvement, or repair of farm homes and service buildings; improvement of on-farm water supplies; installation of pollution control or energy conservation measures; re-financing debts; and establishing non-agricultural enterprises that help farmers supplement their farm income.

**Farm operating loans.** Direct and guaranteed loans are available for farm operating expenses, including livestock, farm and home equipment, feed, seed, fertilizer, fuel, chemicals, and other farm operating expenses, such as family living expenses, minor building improvements, debt refinancing, and other types of short- or intermediate-term credit needs. The FSA can also guarantee operating lines of credit.

**Youth project loans.** The FSA makes direct loans to individual rural youth who are 10 through 20 years of age to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, FFA, and similar organizations. Each project must be part of an organized and supervised program of work. Projects can be either agricultural or nonagricultural in scope. The organization's advisor must help plan and operate the project. The project must produce sufficient income to repay the loan and must provide the youth with practical business and education experience.

**Disaster emergency loans.** When a state or county is declared eligible for emergency loan assistance, low-interest direct

loans are available to farmers who have suffered losses due to a natural disaster.

**Special assistance for beginning farmers.** Because of the concern over the future of agriculture and the need to find ways for young people to enter farming as the older generation of farmers leaves the profession, the FSA has created special programs to help young people who want a career in agriculture. These programs include the Down Payment Farm Ownership Loan and Special Operating Loan programs. Applicants to these programs must be beginning farmers as determined by the FSA county committee.

A beginning farmer is an individual or entity who:

- has never operated a farm or ranch, or has not operated one for more than 10 years;

- participates materially and substantially in the operation of the farm or ranch;

- provides substantial day-to-day management and labor;

- agrees to participate in FSA loan assessment and borrower training programs;

- and does not own farm property, or who, directly or through interest in family farm entities, does not own land totaling more than 30 percent of the average farm or ranch acreage of the county where the property is located.

If the applicant is an entity, all members must be related by blood or marriage, and all stockholders in a corporation must be eligible beginning farmers or ranchers.

**Down-payment loans.** These provide an amount equal to 40 percent of the purchase price or appraisal value (whichever is lower) of the property to be acquired. The interest rate is set by law at 4 percent. The applicant must make a 10 percent cash down payment, and the remaining balance, not to exceed 50 percent, must be provided from another

credit source. In some cases, the secondary source of credit can be guaranteed by FSA. The non-FSA down payment can hold the first mortgage-lien position. The purchase price or appraised value of the farm, whichever is lower, cannot exceed \$250,000.

### How to Apply for FSA Assistance

Applications for loans and loan guarantees can be made at the FSA office serving the county in which the farming operation will be conducted. Applicants also can contact their loan lender to determine whether a guarantee is possible. The local FSA office is listed in the telephone directory under U.S. Government, Department of Agriculture, and Farm Service Agency. More information on FSA programs can be found on-line at: [www.fsa.usda.gov/](http://www.fsa.usda.gov/)

### State Loan Programs

Many states have established loan programs for agriculture through their state departments of agriculture or community and economic development. Various programs may be available including those designed to attract new farmers, help transfer farms from one generation to the next, or purchase capital improvements. You can find a link to your state department of agriculture on the USDA, Risk Management Agency's Web site: [www.rma.usda.gov/other/stateag.html/](http://www.rma.usda.gov/other/stateag.html/)

### Individuals and Agribusiness Suppliers

Often overlooked, individual investors can be a significant source of capital and risk sharing. Taking on a partner or obtaining capital to finance expansion or other business activities from a relative may be a cost-effective way to achieve business goals. While it is tempting to keep such arrangements relatively informal, tax consequences relating to business organization, not to mention the importance of maintaining business and family relations, suggest that

the appropriate documentation should be completed.

Most agribusinesses that supply farm businesses with input offer credit as well. For example, feed, seed, herbicide, fertilizer, and veterinary fees can all be obtained on credit. In addition to offering buy-now-and-pay-later type credit, many of these agribusinesses also offer cash discounts for timely payment. Terms of sale such as 2/10 net 30 are common and suggest that a buyer (borrower) can take a 2 percent discount off of the amount owed if their bill is paid within 10 days or pay the full amount within 30 days. It is tempting to conclude that a small cash discount such as 2 percent is too small to influence when a borrower should pay. However, a 2/10 net 30 policy is equivalent to an annual rate of interest of approximately 40 percent. Cash discounts, no matter how small, should always be taken in all but the most extreme situations.

Visit the Agricultural Alternatives Web site at: <http://agalternatives.aers.psu.edu/> ■

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### Authors

Jayson K. Harper,  
Lynn F. Kime,  
Jeffrey S. Stokes,  
and Gregory D.  
Hanson. Department  
of Agricultural  
Economics and  
Rural Sociology, The  
Pennsylvania State  
University, University  
Park, PA 16802



Photograph by Melanie Kuipers

*“An untiring advocate of sustainable community farming, Diana took on a larger project.”*

work on producing and selling organically grown crops. In 1993, just after returning to Bronson, Kansas from Texas, they began to grow hothouse tomatoes; “Rainbow Organic Farms” was born and thus began her work. What started as a small enterprise grew, and through a relationship between Diana and a local beef cooperative, she found a way to market organically grown, dry aged beef. Together with other forward-thinking entrepreneurs, the beef cooperative created “Good Natured Family Farms.” With its new brand-name label they were ready to market and sell their dry aged beef. This ultimately led to the formation of “Good Natured Family Foods Alliance,” a consortium of small farmers interested in producing high-quality products for the urban consumer for a fair financial return.

Over ten years ago, when she began her foray into organic agriculture, there wasn’t a market for dry aged beef, so Diana was immediately faced with her first challenge of how to create a market. The next step resulted in forming a partnership with “The All Natural Beef Cooperative.” There she and other partners designed then launched a brand name for

their beef. “Good Nature Family Farms,” was created under which the products were sold. Ball Food Stores, a local supermarket chain, took a chance and offered dry aged beef to the Kansas City consumer. This inevitably led to the creation of a marketing system that would be open to other local farmers. This created an opportunities for small farms enabling them to sell their products to large urban markets. What was just summarized in a few sentences took many years of hard work and strategic partnerships to successfully market the products. The first phase of successfully selling dry aged beef was to convince the local supermarkets that there was a market for its product. This is where Diana showed her negotiating, marketing, and public relations skills. Working with Matt Jonas of Ball Food Markets, she convinced him of the superior qualities of dry aged beef, which also conform to commercial standards. This FDA-approved beef began to appear in the meat cases next to the commercially processed equivalents in their 19 family-owned stores.

Diana and her partners were the first in Kansas City to offer dry aged beef. This necessitated a public relations campaign selling consumers on its many benefits such

as superior taste, high nutritional value, and visual appeal. In short, she proved that dry aged beef can compete along side its processed rival, keeping its color and offering the consumer a wholesome choice when purchasing meats at the local market. They achieved the marketing plans by implementing an aggressive public relations program by creating a slogan, “Buy Fresh Buy Local.” Together with attractive packaging, the product gained consumer attention, and sales began to climb. As a result, today dry aged beef has a solid place in the meat counters in many Kansas City markets. It can easily be purchased, in part due to the efforts of Matt Jonas, who took a risk and introduced an unknown product to his customers.

Of course, Diana did not stop here. An untiring advocate of sustainable community farming, Diana took on a larger project. She wanted a vehicle to sell an array of small farm products, not only her own but those of surrounding farmers, therein supporting sustainable community agriculture in and around Kansas City. Realizing that not all small farmers can supply the demands of large supermarket chains, she put herself to work solving the problem.

The branding program begun by the beef coop was expanded to include other naturally grown products supplied by local farmers. The “Good Nature Food Alliance” was born, and they added free-range chickens, glass bottled milk, now, cage-free eggs, farm-produced cheese, fresh-squeezed orange juice, pastured pork, among a growing of other products in their existing inventory. They continue to grow as new products become available. The program to support local agriculture, organically grown food, marketed under a brand name, assured quality, consistency, and consumer appeal was now solidly in place. It is an ongoing locally run effort demonstrating what is accomplished when good ideas, hard work, and local businesses with an incentive can do when they cooperate.

As with all farm products, quality assurance and consistency are paramount to successful acceptance of the products by the public. Responding to the need, Diana stepped in and developed a program that could significantly substantiate the quality of the products sold under the label of the Alliance. Diana contacted the Small Business Innovation Research group located in Washington DC. It was here that she worked with Charles Cleland of the USDA to develop a quality-control, quality-assurance program. With his help and support, she developed a verifying system. This was the key to gaining customer trust. The information found in the process was used in the labeling that included nutritional information, and quality assurances that harmful additives were not used in the processing of the products. Labeling was the key to commercial acceptance and led to successful marketing.

For this work, she was honored with the “Tidbits Award.” This national competition, under the auspices of the Small Business Innovation Research Council, is given yearly to a small farmer who demonstrates extraordinary skills and innovation in small-scale agricultural business. This award is extremely competitive, and Diana’s innovative labeling and verifying system was honored by the council, illustrating her unique innovation.

Today, both consumers and producers in Kansas City know about “Good Natured Farm Alliance,” and they continue to accept new small farmers into the growing alliance. For example, a new farmer recently joined the Alliance and wanted a venue at which to sell his pinto beans. They connected him to Ball Markets, where they intend to market fresh raw beans in bulk in some of their specialty stores that cater to ethnic tastes. “Good Natured Family Farm Alliance” also supports members by providing additional



Over ten years ago, when she began her foray into organic agriculture, there wasn't a market for dry aged beef, so Diana was immediately faced with her first challenge of how to create a market.

services. They buy items in bulk, arrange for transportation of the product, and keep an inventory of packaging. This keeps the costs down while offering the local farmer added convenience. Shipping and marketing costs are often shared by members. The products are collected and then transported into the city. One example of the convenience offered by the alliance was reported by Diana. Her beef and that of her neighbor's are loaded onto separate trucks where they meet at a centralized location and off-loaded into a larger truck, which carries the beef to market. Two trips to town are reduced to one, saving both time and money. The food then heads to Kansas City, where it will offer the consumer an alternative to commercially processed farm products. The first stage of the project, support of local farmers based on sustainable community agriculture, is now solidly in place.

As she stated, "this model can be used throughout the country and has the potential to help small family farmers wherever they live." However, according to Dr. Charles Cleland of the USDA, who is in charge of small agriculture programs and with whom Diana has worked, stated emphatically, "to make this work you need to have a Diana Endicott. This is going to be the challenge in taking the program to other parts of the country." Not one to rest, Diana is setting her sights on the local rural community. She would like to see the same quality of foods offered to the urban consumer also be available to the rural consumer. It is ironic that the people who produce the high-quality food do not have the same selections as those living in the city. She believes there is niche market for organically grown farm produce in the country side as well.

Whatever the next step, Diana remains an impressive example of local initiatives, implemented by a creative individual,

that creates business opportunities where there previously were none. Due to her efforts, small farms in and around Kansas City can be more profitable and at the same time provide the public with high-quality foods without the harmful processing additives. Her innovative approach has touched the lives of many small farmers in the metropolitan area of Kansas. This not only adds to the quality of life the city dweller, it also supports the small family farm keeping them financially viable. Diana and other exemplary individuals throughout the country, demonstrate that small family farms can be financially successful while providing a value-added service to the production of food, therein keeping more people on the farm. Sustainable agriculture is now a meaningful and rewarding career for small family farmers. Thank you, Diana, for your hard work, and keep us informed on your progress. Given your energy, drive and creativity, we know there are many more success to follow. ■

#### **Contact**

Diana Endicott  
Rainbow Organic Farms  
Phone: 620.939.4933  
[www.goodnatured.net](http://www.goodnatured.net)  
Bronson, KS

# Resources

## Print Media

### **Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses**

2003. Sustainable Agriculture Network.  
United States Department of Agriculture.

This book brings the business planning process alive to help today's alternative and sustainable agriculture entrepreneurs transform farm-grown inspiration into profitable enterprises. Sample worksheets lend a practical perspective and illustrate how real farm families set goals, researched processing alternatives, determined potential markets, and evaluated financing options. Blank worksheets help the reader develop a detailed, lender-ready business plan or map out strategies to take advantage of new opportunities.

Available from:

Sustainable Agriculture Publications  
P.O. Box 753  
Waldorf, MD 20604-0753  
Telephone: (301) 374-9696  
Fax: (301) 843-0159

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E-mail: [sanpubs@sare.org](mailto:sanpubs@sare.org)

Web: [www.sare.org/publications/business.htm](http://www.sare.org/publications/business.htm)

### **A Farmer's Guide to the Bottom Line**

Walters, Charles. 2002. Acres U.S.A., Austin, TX.

This book relies heavily on first-hand experience from farmers, packaged together and interpreted by the author. It has a strong small-farm bias, and may raise some eyebrows in its critique of "large-scale" agriculture. But it has chapters that are chock full of good advice about how to run a small farm as a business. The author's reliance on first-hand experience gives this guide a down-to-earth quality that is often missing in books about how to run a business.

Available from:

Acres U.S.A., Publishers  
P.O. Box 91299  
Austin, TX 78709  
Phone (512)892-4400  
Fax (512) 892-4448

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E-mail [info@acresusa.com](mailto:info@acresusa.com)

Web: [www.acresusa.com](http://www.acresusa.com)

### **Small Farm Handbook**

1994. Small Farm Center, University of California, Davis, CA.

Although now somewhat dated, this guide from the University of California's Small Farm Center remains one of the best around. It has chapters dealing with many aspects of starting a farm, including finances, how to find and buy land, and finding labor, for example. It has a California bias because it was created primarily for farmers in that state. However, it is one of the best guides for the new or starting farmer.

Available from:

Small Farm Program, University of California, Division of Agriculture and Natural Resources  
6701 San Pablo Avenue  
Oakland, CA  
Telephone: (510) 6420-431  
Fax (510) 643-5473

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E-mail: [sfcenter@ucdavis.edu](mailto:sfcenter@ucdavis.edu)

Web: [www.sfc.ucdavis.edu/docs/publications.asp](http://www.sfc.ucdavis.edu/docs/publications.asp)

### **Successful Small-Scale Farming: An Organic Approach**

Schwenke, Karl. 1991. Second Edition.  
Capital City Press.

This book has an organic bias, and some of the chapters that describe specific crops and their requirements for production are of limited applicability. However,



there are really great chapters on topics that most authors just do not cover, very down-to-earth topics that new farmers in particular need to know. The chapters on farm machinery and farm practices are very good examples. The author explains things like how to set a tiller plate on a disk harrow. This kind of information is hard to find.

Available from:

Storey Books  
210 MASS MoCA Way  
North Adams, MA 01247  
Telephone: (800) 793-9396

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E-mail: [sales@storey.com](mailto:sales@storey.com)

Web: [www.storey.com](http://www.storey.com)

## Online

### **“Marketing Strategies for Farmers and Ranchers”**

This 20-page bulletin offers snapshots of the many alternatives to marketing commodities through conventional channels. Describes how to break into farmers markets; establish pick-your-own operations and farm stands; begin entertainment farming; open a Community Supported Agriculture (CSA) farm; join or start a cooperative; sell to restaurants or through mail order and the Internet; how to process and direct-market meat; and ways to add value to farm products. Sustainable Agriculture Network.

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Download at:

[www.sare.org/publications/marketing.htm](http://www.sare.org/publications/marketing.htm)

### **ATTRA (Appropriate Technology Transfer for Rural Areas)**

ATTRA offers several free resources about business planning for farmers. “Evaluating a Rural Enterprise” is for people who already live in rural areas and want to add new enterprises to their operations. Its sections guide the reader in evaluating resources, assessing finances, gathering

information, and marketing. It also discusses choosing an “alternative” enterprise and offers further resources. “Agricultural Business Planning Templates and Resources” contains sources of business planning templates and further resources for agricultural enterprises. These resources include Internet and print resources as well as training courses and workshops. “Enterprise Budgets and Production Costs for Organic Production” contains Internet-based sources of enterprise budgets and production cost information for organic production of horticultural and agronomic crops and for organic livestock enterprises.

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Appropriate Technology Transfer for Rural Areas

Web: [www.attra.org/marketing.html#business](http://www.attra.org/marketing.html#business)

### **Iowa State University**

ISU offers a set of business planning templates for beef producers and pork producers who want to develop added value to their livestock operations. These on-line resources were developed by Iowa State’s Center for Industrial Research and Service in cooperation with the Cooperative Extension Service.

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Online at:

Beef production: [www.ciras.iastate.edu/beefmanual/intro.html](http://www.ciras.iastate.edu/beefmanual/intro.html)

Pork production: [www.ciras.iastate.edu/porkmanual/intro.html](http://www.ciras.iastate.edu/porkmanual/intro.html)

### **Small Farm Digest**

Denis Ebodaghe | *National Program Leader*  
[debodaghe@csrees.usda.gov](mailto:debodaghe@csrees.usda.gov)

Marilyn Swisher | *Editor*  
[mesw@ufl.edu](mailto:mesw@ufl.edu)

Mariana Wallig | *Graphic Designer*  
[marianaw@ufl.edu](mailto:marianaw@ufl.edu)

# Events

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## June

### Conference: Income Opportunities for Farms, Forests, and Communities

**June 2- 4, 2006**

Presented by Rural Action & Appalachian Forest Resource Center

Hocking Hills, OH

[www.ruralaction.org/conference.html](http://www.ruralaction.org/conference.html)

### Thirtieth Annual National Indian Timber Symposium

**June 5-8, 2006**

Fairbanks, AK

(503) 282-4296

[itcl@teleport.com](mailto:itcl@teleport.com)

[www.itcnet.org/symposium.html](http://www.itcnet.org/symposium.html)

### National Value-Added Conference

**June 12-13, 2006**

Nashville, TN

This is the 8th annual conference for value-added agriculture educators and service providers. The agenda includes presentations on business and USDA programs, as well as concurrent sessions and a trade show.

<http://cpa.utk.edu/value-addconf/>

### National Congress of American Indian, Mid-Year Conference

**June 18-21, 2006**

Sault Ste, Marie, MI

(202) 466-7767

[www.ncai.org](http://www.ncai.org)

### Community Development Society Annual International Conference

**June 25-28, 2006**

St. Louis, MO

[www.comm-dev.org](http://www.comm-dev.org)

## July

### National Council of LaRaza, Annual Conference

**July 8-11, 2006**

Los Angeles, California

(845)439-3898

<http://phoenix2004.wms.cdgsolutions.com/07/15-20/06>

### National Association for the Advancement of Colored People (NAACP)

**July 15-20, 2006**

Washington, DC

(410) 580-5777

[www.naacp.org](http://www.naacp.org)

### Grazing America: The American Grassfed Association's Annual Conference

**July 20-22, 2006**

Colorado Springs, CO

[www.americangrassfed.org](http://www.americangrassfed.org)

### National Association of County Agricultural Agents Annual Meeting and Professional Improvement Conference

**July 23-27, 2006**

<http://ces.ca.uky.edu/kacaa/2006%20Annual.htm>

## August

### USDA Annual Partners Meeting

**August 2-4, 2006**

Washington, D.C.

Geraldine Herring

(202) 720-1637

**2006 National Association of  
County Officials (NACo) Annual  
Conference and Exposition**

**August 4-8, 2006**

Chicago, IL

(202) 393-6226

[www.naco.org](http://www.naco.org)

**2006 SARE National Conference  
August 15-17, 2006**

Oconomowoc, WI

“A Midwest Homecoming: Sharing a New Tradition of Sustainability” is the theme of the 2006 biennial USDA/SARE national conference. The conference will feature oral presentations, poster sessions, workshops, and roundtable discussions designed to recognize and advance sustainable agriculture practices.

[www.SARE2006.org](http://www.SARE2006.org)

**Federation of Southern  
Cooperative/LAF 2006 Conference**

**August 18-19, 2006**

Epes, Alabama

(404) 765-0991

[fscalbany@mindspring.com](mailto:fscalbany@mindspring.com)

[www.federationsoutherncoop.com](http://www.federationsoutherncoop.com)

**September**

**Guilford Native American  
Association 30th Annual Cultural  
Festival & POW-WOW**

**September 15-17, 2006**

Greensboro, NC

(336) 273-8686

[www.guilfordnative.org](http://www.guilfordnative.org)

**National Council of State  
Agricultural Finance Programs**

**September 15-17, 2006**

Washington, D.C.

[www.stateagfinance.org](http://www.stateagfinance.org)

**October**

**63rd Annual Convention of the  
National Congress of American  
Indians**

**October 1-6, 2006**

Sacramento, CA

[www.ncai.org](http://www.ncai.org)

**5th Annual Southern Outreach  
Coordinators' Meeting**

**October 24-27, 2006**

State of Virginia (City TBA)

Arthur Phalo

(404) 347-7239

**8th Annual Landowners Community  
Food Security Coalition Annual  
Conference**

**October 8-11, 2006**

Vancouver, Canada

[www.foodsecurity.org/index.html](http://www.foodsecurity.org/index.html)

**November**

**A Conference for the Community  
Supported Agriculture**

**November 10-12, 2006**

Tustin, MI

[www.csafarms.org/csaresources.asp](http://www.csafarms.org/csaresources.asp)

**3rd Small & Beginning Farmers  
Conference**

**November, 2006**

[www.beginnerfarmers.org](http://www.beginnerfarmers.org)

**December**

**Professional Agriculture Workers  
Conference**

**December, 2006**

Tuskegee University, Tuskegee, AL

[www.tuskegee.edu](http://www.tuskegee.edu)